

RESOLUTION NO. 2911-2005

A RESOLUTION OF THE FORT BRAGG CITY COUNCIL CONDITIONALLY APPROVING AND AUTHORIZING THE ASSIGNMENT OF A CABLE TELEVISION FRANCHISE AND CABLE SYSTEM BY CENTURY MENDOCINO CABLE TELEVISION, INC. TO CABLE HOLDCO EXCHANGE V, LLC, AND A CHANGE OF CONTROL TO COMCAST OF INDIANA/MICHIGAN/TEXAS, LP, A SUBSIDIARY OF COMCAST CORPORATION

WHEREAS, Century Mendocino Cable Television, Inc. ("Franchisee"), dba Adelphia Cable Communications, is the authorized holder of a franchise ("Franchise") that authorizes the construction, operation, and maintenance of a cable television system within the city limits of the City of Fort Bragg (variously referred to as "City" or "Franchise Authority"). Franchisee is a subsidiary of Adelphia Communications Corporation ("Adelphia"); and

WHEREAS, on April 20, 2005, Comcast Corporation ("Comcast") and Time Warner NY Cable LLC, a subsidiary of Time Warner Cable Inc. ("TWC"), each entered into separate agreements to acquire, collectively, substantially all of the assets of Adelphia; and

WHEREAS, on June 15, 2005, the City received two applications relating to proposed transfers of control of the existing Franchise held by Century Mendocino Cable Television, Inc. Each application included a separate Federal Communications Commission (FCC) Form 394 titled "Application for Franchise Authority Consent to Assignment or Transfer of Control of Cable Television Franchise." Together, these applications describe an initial transaction which would transfer the assets of Century Mendocino Cable Television Inc. ("Assignor") to Cable Holdco Exchange V LLC, a subsidiary of TWC, (the "New Franchisee"). Then, as part of a separate "Exchange Transaction" described in the second FCC Form 394, control over Cable Holdco Exchange V LLC will be transferred from TWC ("Transferor") to Comcast of Indiana/Michigan/Texas, L.P., a Delaware limited partnership ("Transferee"). These two transactions are expected to close contemporaneously and in direct succession. Should both of these transactions occur, the Franchise will have been transferred to the Transferor which will then become a subsidiary of Transferee, provided the Franchise Authority has so consented; and

WHEREAS, in accordance with the City of Fort Bragg Municipal Code Chapter 4.04, the Franchise Authority has the authority to review the financial, technical, and legal qualifications of the Transferee in connection with the proposed assignment of the Franchise and grant or deny the Franchise Authority's consent to this transaction; and

WHEREAS, City staff and John Risk (consultant who has advised the Franchise Authority regarding the proposed franchise transfer) have reviewed the documentation that accompanied FCC Form 394 and, based upon the representations set forth in that documentation, have concluded that the proposed New Franchisee and Transferee have the requisite financial, technical, and legal qualifications to adequately perform, or to ensure the performance of, all obligations required of the New Franchisee under the Franchise, and that

the New Franchisee will be bound by all existing terms, conditions, and obligations of the Franchise as it currently exists or as it may be modified or superseded by the parties.

NOW, THEREFORE, BE IT RESOLVED that the City Council does hereby:

Section 1. In accordance with Fort Bragg Municipal Code Section 4.04.090, the Franchise Authority, in this "Franchise Assignment Consent Resolution" consents to and approves the proposed assignment of the Franchise to Cable Holdco Exchange V, LLC, which upon the closing of the asset purchase transaction will be an indirect wholly-owned subsidiary of TWC, and will be qualified to conduct business as a limited liability company in the State of California. The Franchise Authority further consents to the proposed transfer of control over Cable Holdco Exchange V, LLC from TWC to Comcast of Indiana/Michigan/Texas, LP. In the event that the New Franchisee and/or any affiliate modify the pertinent transactions in any manner that would result in the Franchise being transferred to any entity other than Cable Holdco Exchange V, LLC, New Franchisee and any contemplated party must first obtain prior written approval from the Franchise Authority, and adhere to all applicable procedures established by law.

Section 2. The authorization, consent and approval of the Franchise Authority to the proposed assignment is conditioned upon compliance by New Franchisee or Transferee with the following requirements:

(a) Within sixty days after the adoption of this Resolution, the New Franchisee and the Transferee shall fully execute and file in the office of the City Clerk an "Assignment and Assumption Agreement" in substantially the form attached to this resolution as Exhibit A. Any changes effected upon Exhibit A shall render the "Assignment and Assumption Agreement," voidable, at the option of the Franchise Authority. In order to be considered complete, this filing of the "Assignment and Assumption Agreement" must include Schedule 1, in the form attached to Exhibit A of this Resolution, executed by Comcast Corporation. The City Manager is hereby authorized to execute that document and thereby evidence the written consent of the Franchise Authority to the assignment and assumption of all rights and obligations under the Franchise.

(b) An original or conformed copy of the written instrument evidencing the closing and consummation of the transactions involving the proposed assignment of the Franchise must be filed in the office of the City Clerk within sixty days after that closing and consummation.

(c) Approval, by the City Manager that all of the following issues have been adequately addressed to the satisfaction of the City Manager within sixty days after the date of closing of the transactions:

(i) Staffing and technical measures have been implemented to ensure adequate telephone call center performance, reporting capabilities, and transition programs to provide service as Time Warner Cable;

(ii) Staffing and technical measures have been implemented to ensure adequate public, educational, or governmental (PEG) channel signal transmission quality;

(iii) All necessary insurance policies, endorsements or certificates, as required by the Franchise, including, without limitation, applicable "additional insured" language shall be provided to the City Manager or his designee;

(iv) All necessary security (cash deposit, surety fund, construction bond, and/or any other security as approved by the City Manager or designee) provisions of the Franchise shall have been provided to the City Manager or his designee;

(v) The City Manager or his designee shall have reviewed and approved the location(s) of franchise financial records pertaining to Franchise fee reviews;

(vi) The City Manager or his designee shall have reviewed and approved the location(s) of other cable system records related to Franchise compliance;

(vii) The City Manager or his designee shall have reviewed and approved the location for providing advertising spots;

(viii) The New Franchisee shall have demonstrated to the City Manager or his designee activation and testing of Emergency Override system; and

(ix) The New Franchisee shall have demonstrated to the City Manager or his designee an adequate program for providing notice to subscribers of, and implementing, account transition, including, without limitation, e-mail account transitioning and domain name changes.

Section 3. If any one or more of the conditions set forth above in Section 2 of this Resolution is not satisfied within the period of time specified in that paragraph, then the authorization and consent of the Franchise Authority to the proposed assignment as provided for in this resolution will be revoked and rescinded without further action by the Franchise Authority, and the FCC Form 394 application will be denied in all respects as of the date of adoption of this resolution.

Section 4. The parties agree that a breach of this Resolution will constitute a breach of the franchise agreement.

Section 5. The City Clerk is directed to transmit a certified copy of this resolution to the following persons:


Mr. Roger Keating, President
Los Angeles Division
Time Warner Cable Inc.
959 South Coast Drive, Suite 300
Costa Mesa, CA 92626

Brad M. Sonnenberg, Esq.
Executive Vice President,
General Counsel and Secretary
Adelphia Communications Corporation
5619 DTC Parkway
Denver, CO 80111

Sheila Willard,
Senior Vice President
Comcast Cable Communications, LLC
1500 Market Street, 28th Floor, West Tower
Philadelphia, PA 19102

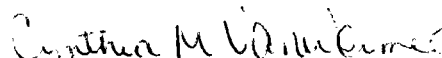
The above and foregoing Resolution was introduced by Councilmember Baltierra, seconded by Councilmember Hammerstrom, and passed and adopted at a regular meeting of the City Council of the City of Fort Bragg held on the 12th day of December, 2005, by the following vote:

AYES: Councilmembers Gjerde, Baltierra, Hammerstrom, Melo, and Mayor Turner.
NOES: None.
ABSENT: None.
ABSTAIN: None.



DAVE TURNER,
Mayor

ATTEST:



Cynthia M. VanWormer, CMC
City Clerk

EXHIBIT A

TO RESOLUTION NO. 2911-2005 ADOPTED BY THE FORT BRAGG CITY COUNCIL ON DECEMBER 12, 2005

ASSIGNMENT AND ASSUMPTION AGREEMENT and GUARANTEE OF ASSIGNEE'S OBLIGATIONS (CABLE TELEVISION FRANCHISE AGREEMENT)

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT ("Agreement") is entered into this _____ day of _____, 2005, between Century Mendocino Cable Television, Inc., ("Assignor"), Cable Holdco Exchange V, LLC ("Assignee"), and the City of Fort Bragg ("Franchise Authority").

RECITALS:

A. Assignor is the authorized holder of a franchise that authorizes the construction, operation, and maintenance of a cable television system within the city limits of the City of Fort Bragg, California.

B. Subject to the prior consent of the Franchise Authority, Assignor desires to assign to Assignee, and Assignee desires to assume, effective as of the closing of the asset purchase transaction described in the FCC Form 394 as filed with the Franchise Authority on June 15, 2005, and supplementary and other related documents (the "Closing"), all rights, duties, and obligations under the cable television franchise agreement between the Franchise Authority and the Assignor ("Franchise Agreement") as it currently exists or as it may be modified or superseded by the parties prior to the Closing. In the main body of the City of Fort Bragg Resolution of which this exhibit is a part (the "Franchise Assignment Consent Resolution"), the Franchise Authority has enumerated the terms upon which the Franchise Authority conditions its consent to the Franchise Assignment.

THE PARTIES AGREE AS FOLLOWS:

1. Effective as of the Closing, Assignor assigns and transfers to Assignee all of Assignor's rights, duties, and obligations under the Franchise Agreement.

2. Effective as of and contingent upon the occurrence of the Closing, Assignee covenants and agrees with Assignor and with the Franchise Authority that the Assignee shall assume all rights and shall assume and perform all duties and obligations of the Assignor under the Franchise Agreement, including all duties and obligations arising prior to the Closing, except as may be limited by Assignor's rights under the pending Adelphia bankruptcy proceeding pursuant to the Bankruptcy Code.

3. Franchise Authority consents to the assignment and transfer by Assignor to Assignee of all rights, duties, and obligations specified in the Franchise Agreement, contingent upon the timely satisfaction of all Assignor, Assignee, and affiliated entities' obligations described in this "Franchise Assignment Consent Resolution," including timely execution by Comcast Corporation, as guarantor, of the "Guarantee of Assignee's

Obligations” that is attached as Schedule 1 to this Agreement. Within sixty (60) days after the adoption of this resolution, the Franchisee and the Transferee shall file in the office of the City Clerk, in fully executed form, both this “Assignment and Assumption Agreement,” as well as the “Guarantee of Assignee’s Obligations,” in substantially the form attached to the Resolution as Exhibit A

4. This Agreement will become operative and enforceable upon the closing of the transactions described in the FCC Form 394 as filed with the Franchise Authority on June 15, 2005.

TO EFFECTUATE THIS AGREEMENT, the parties have caused this Assignment and Assumption Agreement to be executed by their duly authorized representatives as of the date set forth below the authorized signature.

“ASSIGNOR”

CENTURY MENDOCINO CABLE TELEVISION, INC.

By: _____
(Authorized Officer)
Title: _____
Date: _____

“ASSIGNEE”

CABLE HOLDCO EXCHANGE V, LLC

By: _____
(Authorized Officer)
Title: _____
Date: _____

“FRANCHISE AUTHORITY”

CITY OF FORT BRAGG

McFerrin A. Whiteman, City Manager

Date: _____

ATTEST: _____
Cynthia Van Wormer, CMC
City Clerk

SCHEDULE 1

TO ASSIGNMENT AND ASSUMPTION AGREEMENT and GUARANTEE OF ASSIGNEE'S OBLIGATIONS

GUARANTEE

GUARANTEE, dated as of _____, 2005, made by COMCAST CABLE COMMUNICATIONS HOLDINGS, INC. a Delaware corporation ("Guarantor"), in favor of the City of Fort Bragg, California ("Beneficiary").

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce Beneficiary to timely consent to the transfer of the cable television franchise issued by Beneficiary and currently held by Century Mendocino Cable Television, Inc. (the "Franchise") to Cable Holdco Exchange V, LLC ("Transferee"), a subsidiary of Guarantor, in accordance with Federal Communications Commission Form 394 filed by Transferee, Guarantor agrees as follows:

Interpretive Provisions

A. The words "hereof", "herein" and "hereunder" and words of similar import, when used in this Guarantee, shall refer to this Guarantee as a whole and not to any particular provision of this Guarantee.

B. The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

Guarantee

A. Effective upon the close of the asset purchase transaction, Guarantor unconditionally and irrevocably guarantees to Beneficiary the timely and complete performance of all Transferee obligations under the Franchise (the "Guaranteed Obligations"). The Guarantee constitutes an irrevocable, absolute, continuing guarantee of payment and performance. If Transferee fails to pay any of its monetary Guaranteed Obligations in full when due in accordance with the terms of the Franchise, Guarantor shall promptly pay the same to Beneficiary or procure payment of same to Beneficiary. Anything herein to the contrary notwithstanding, Guarantor shall be entitled to assert as a defense hereunder any defense that is or would be available to Transferee under the Franchise or otherwise.

B. This Guarantee shall remain in full force and effect until the earliest to occur of: (i) performance in full of all Guaranteed Obligations at a time when no additional Guaranteed Obligations remain outstanding or will accrue to Transferee under the Franchise; and (ii) subject to any required consent of the Beneficiary, any direct or indirect transfer of the Franchise from Transferee to (or direct or indirect acquisition of Transferee or any successor thereto by) any other person or entity a majority of whose equity and voting interests are not

beneficially owned and controlled, directly or indirectly, by Guarantor. Upon termination of this Guarantee in accordance with this section, all contingent liability of Guarantor in respect hereof shall cease, and Guarantor shall remain liable solely for Guaranteed Obligations accrued prior to the date of such termination.

Waiver

Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Guaranteed Obligations and notice of or proof of reliance by Beneficiary upon this Guarantee or acceptance of this Guarantee. Guarantor waives diligence, presentment, protest and demand for payment to Transferee or Guarantor with respect to the Guaranteed Obligations. This section does not effect any notice provision in either the Franchise Agreement or any Mendocino County Ordinance.

Representations and Warranties

Each of Guarantor and Beneficiary represents and warrants that: (i) the execution, delivery and performance by it of this Guarantee are within its corporate, limited liability company and/or other action, and do not contravene any law, order, decree or other governmental restriction binding on or affecting it; and (ii) no authorization or approval or other action by, and no notice to, or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by it of this Guarantee, except as may have been obtained or made, other than, in the case of clauses (i) and (ii), contraventions or lack of authorization, approval, notice, filing or other action that would not, individually or in the aggregate, impair or delay in any material respect such party's ability to perform its obligations hereunder.

Binding Effect

This Guarantee, when executed and delivered by Beneficiary, shall constitute a valid and legally binding obligation of Guarantor, enforceable against it in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency or other similar laws applicable to creditors' rights generally and by equitable principles (whether enforcement is sought in equity or at law).

Notices

All notices, requests, demands, approvals, consents and other communications hereunder shall be in writing and shall be deemed to have been duly given and made if served by personal delivery upon the party for whom it is intended or delivered by registered or certified mail, return receipt requested, or if sent by facsimile transmission, provided that the facsimile transmission is promptly confirmed by telephone confirmation thereof, to the party at the appropriate address set forth below, or such other address as may be designated in writing hereafter, in the same manner, by such party:

To Guarantor and Transferee:

Comcast - Legal Department
Attn: General Counsel
1500 Market Street
Philadelphia, PA 19102
Telephone: 215-665-1700
Facsimile: 215-981-7790

To Beneficiary:

City of Fort Bragg
416 N. Franklin
Fort Bragg, CA 95437
Telephone: 707-961-2823
Telecopy: 707-961-2802
Attention: McFerrin A. Whiteman or current City Manager

Integration

This Guarantee represents the agreement of Guarantor with respect to the subject matter hereof and there are no promises or representations by Guarantor or Beneficiary relative to the subject matter hereof other than those expressly set forth herein.

Amendments in Writing

None of the terms or provisions of this Guarantee may be waived, amended, supplemented or otherwise modified except by a written instrument executed by Guarantor and Beneficiary, provided that any right, power or privilege or Beneficiary arising under this Guarantee may be waived by Beneficiary in a letter or agreement executed by Beneficiary.

Section Headings

The section headings used in this Guarantee are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

No Assignment or Benefit to Third Parties

This Agreement shall be binding upon and inure to the benefit of the parties hereto. Nothing in this Agreement, express or implied, is intended to confer upon anyone other than Guarantor and Beneficiary and their respective permitted assigns, any rights or remedies under or by reason of this Guarantee.

Expenses

All costs and expenses incurred in connection with this Guarantee and the transactions contemplated hereby shall be borne by the party incurring such costs and expenses.

Counterparts

This Guarantee may be executed by Guarantor and Beneficiary on separate counterparts (including by facsimile transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

Governing Law

This Guarantee shall be governed by and construed and interpreted in accordance with the laws of the State of California without regard to principles of conflicts of law.

Attorneys Fees

In the event that any action or proceeding is commenced to regarding any term of this Guarantee, the prevailing party in such action or proceeding, in addition to all other relief to which it may be entitled, shall be entitled to recover from the other party the prevailing party's costs of suit and reasonable attorneys' fees. The prevailing party shall be as determined by the court in accordance with California Code of Civil Procedure Section 1032. The attorney's costs and expert fees recoverable pursuant to this section include, without limitation, attorney's costs and expert fees incurred on appeal and those incurred in enforcing any judgment rendered. Attorney's costs and fees may be recovered as an element of costs in the underlying action or proceeding or in a separate recovery action.

TO EFFECTUATE THIS GUARANTEE, each of the undersigned has caused this Guarantee to be duly executed and delivered by its duly authorized officer on the date set forth below the authorized signature.

“GUARANTOR”

COMCAST CABLE COMMUNICATIONS HOLDINGS, INC, a Delaware corporation

By: _____
(Authorized Officer)

Title: _____

Date: _____

“BENEFICIARY”

CITY OF FORT BRAGG, CALIFORNIA

McFerrin A. Whiteman, City Manager

Date: _____, 2005

ATTEST: _____
Cynthia Van Wormer, CMC
City Clerk